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UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE |
|
ALTA MESA | Civil Action No. 4:19-cv-00957
RESOURCES, INC. |
SECURITIES |
LITIGATION |

ORAL AND VIDEOTAPED DEPOSITION OF
JOHN BALDAUFF
APRIL 17, 2023

ORAL AND VIDEOTAPED DEPOSITION of JOHN BALDAUFF,
produced as a witness at the instance of the
Defendants, and duly sworn, was taken in the
above-styled and numbered cause on April 17, 2023,
from 9:42 a.m. to 4:03 p.m., before Mendy A.
Schneider, CSR, RPR, in and for the State of Texas,
recorded by machine shorthand, at the offices of
Latham & Walker, 811 Main Street, Suite 3700, Houston,
Texas, pursuant to the Texas Rules of Civil Procedure
and the provisions stated on the record or attached
hereto; that the deposition shall be read and signed.

[PAGES INTENTIONALLY OMITTED]

1 Q. (BY MS. GUZMAN) Okay. So you -- you said you
2 told -- you told people orally how you felt about ESPs
3 at Alta Mesa.

4 Who did you tell?

5 A. Everybody on the -- on the engineering team
6 Jeff Janik, Mike Ellis, Hal Chappelle.

7 Q. What did you tell them exactly?

8 A. I told them what I told you. Because of
9 those reasons, they were not -- they wanted a list of
10 25 wells, asked me how many wells that I had
11 recommended. And I said one and I -- I don't remember
12 the name of the well.

13 It was a well near a saltwater disposal
14 well far up north. It was a different type of well.
15 It had issues and problems that produced extra water
16 that -- that an ESP would be good in unloading and --
17 and helping that well.

18 Q. Uh-huh.

19 A. But the other wells were -- were -- was --
20 they were not fit for purpose and not -- not good
21 candidates for ESPs. I stand by that now.

22 Q. Uh-huh.

23 A. I've been in -- I've worked ESPs, my first
24 well in 2000 -- I'm sorry, 1977 was my first ESP that
25 I ran, and I've been running them ever since.

1 Q. Uh-huh.

2 A. I told them from the very beginning -- they
3 asked me how many wells were on a list, I said one.
4 And they said we want 25 by Monday.

5 MS. GUZMAN: Tab 17.

6 Q. (BY MS. GUZMAN) Okay. Mr. Baldauff, I'm
7 going to show you what has been marked as Baldauff
8 Exhibit 4.

9 (Marked Baldauff Exhibit 4.)

10 (Discussion off the record.)

11 Q. (BY MS. GUZMAN) And do you recognize this
12 document?

13 A. Uh-huh. Yes, I do.

14 Q. This is your -- from your LinkedIn page,
15 correct?

16 A. Yes, it is. Uh-huh.

17 Q. At the bottom of the page you see Alta Mesa
18 Resources Inc. True?

19 A. Uh-huh.

20 Q. And you see "Artificial Lift, Production
21 Optimization SME," right?

22 A. Yes.

23 Q. Does SME stand for subject --

24 A. Subject matter expert, yes, ma'am. I'm
25 sorry.

[PAGES INTENTIONALLY OMITTED]

1 Q. (BY MS. GUZMAN) Just so I understand, there
2 were other wells that you thought not effective or
3 noneconomical or was it just that one?

4 MR. SHER: Objection.

5 MR. MAURIELLO: Objection.

6 A. Quite a few wells that were uneconomical.

7 Q. (BY MS. GUZMAN) Okay. And there are --
8 sitting here today, you cannot identify a specific
9 document where you told Mr. Chappelle that either
10 EHU36 or any other well was not effective or
11 noneconomical?

12 A. I spoke to him -- he came by the -- no, I
13 didn't have anything in writing, but I spoke to him.
14 He didn't answer back, he turned his back and walked
15 away. But he heard me because we were the only ones
16 in the room and I was two feet away from him. And I
17 spoke that and he didn't turn around -- or he
18 didn't -- he pretended I -- he didn't hear, but he
19 heard.

20 Q. Okay.

21 A. And at that point -- and at that point, he
22 did that because he knew this day was going to come.
23 And here I am.

24 Q. And at that point, you -- you didn't follow
25 up in writing about your position on ESPs at Alta

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